

September 4, 2007

Eric A. Cioppa, Acting Superintendent
Attn: Vanessa J. Leon (Docket No. INS-07-1000)
Bureau of Insurance
Maine Dept. of Professional and Financial Regulation
34 State House Station
Augusta, Maine 04333-0034

Re: Anthem BCBS 2008 Individual Rate Filing for HealthChoice

Dear Acting Superintendent Cioppa:

Enclosed for filing please find two hard copies of the following:

SUBMITTED BY: Christina M. Moylan, AAG
DATE: September 4, 2007
DOCUMENT TITLE: First Information Request of the Attorney General
DOCUMENT TYPE: Information Request
CONFIDENTIAL: No

Copies are also being served this date in the manner indicated on the enclosed Certificate of Service.

Sincerely,

/s/ Christina M. Moylan

CHRISTINA M. MOYLAN
Assistant Attorney General
207/626-8838
christina.moylan@maine.gov

CMM/s

Enc.

c: Thomas Sturtevant, Jr., AAG
Christopher Roach, Esq.
Judith M. Shaw, Deputy Superintendent
James Bowie, AAG

IN RE:)	
)	
)	
ANTHEM BLUE CROSS)	
AND BLUE SHIELD 2008)	FIRST INFORMATION REQUEST
INDIVIDUAL RATE FILING)	OF THE ATTORNEY GENERAL
FOR HEALTH CHOICE AND)	
HEALTHCHOICE STANDARD)	
AND BASIC PRODUCTS)	NON-CONFIDENTIAL
)	
Docket No. INS-07-1000)	

Pursuant to Bureau of Insurance Rules, Chapter 350, § 10(B), the Attorney General serves the following informational request upon Anthem Blue Cross and Blue Shield (“Anthem BCBS”). If any of the information sought hereby is not known by Anthem BCBS but is known by other persons and is obtainable by reasonable means, then Anthem BCBS is requested to obtain and provide that information. The Attorney General further asks that Anthem supplement its response immediately, should additional information become available after its initial response to this request. All references to the filing are to the non-confidential version.

1. In the development of trend factors shown on Exhibit VI of the rate filing, Anthem performs an analysis of the trends excluding large claimants (i.e., those with claims over \$100,000).
 - a. It is our understanding that Anthem removed the claim dollars for those members with claims exceeding \$100,000. Is our understanding correct? Did Anthem remove the claims in excess of \$100,000 or all claims associated with these members?
 - b. Please provide the claims removed and the associated number of claimants by calendar year (2004, 2005, 2006 and 2007).

2. What is the average underlying deductible amount associated with the trend analysis shown on Exhibit VI? What is the level of deductible reflected in the deductible leveraging factors inherent in the 15.2% trend factor developed on this worksheet?
3. What is the leveraged trend factor used to generate the rates for the \$5,000 deductible? Please provide the calculation that demonstrates how this trend is developed in comparison to the overall trend of 15.2%.
4. Please provide the development of the rates for the two adult / children rate for the \$5,000 non-mandated plan for the age band 55-64. In the rate filing, this rate is hard-coded as \$1,038.98 (Ex. III, p.12). In your response, please start with the experience shown on Exhibit I and provide the assumptions and calculations employed in the development of this rate.
5. Please provide the detailed support used to generate the revised contract type factors as applied to the premium classes requested in this rate filing. Please explain why these factors are changing.
6. The current rates for age band 65+ are the same as the current rates for age band 55-64 and appear to use the age band factor of 1.20. In the proposed rates, it appears the age 65+ rates are developed using the 1.50 factor. Please provide support for this factor and explain why Anthem is making this change.
7. Exhibit III shows the development of the anticipated rate increase from the rates requested in this filing. Do the current rates shown on this exhibit reflect the rates effective July 2007, which include the 1.3% increase for the SOP? If the rates do not reflect the most recent rate adjustment of 1.3%, please provide a revised Exhibit III that takes these rates with the 1.3% increase into account.
8. The rate development for the \$150 deductible with the \$10,000 annual maximum reflects the average proposed increase multiplied by the rates of the \$300 deductible plan. Please verify this is the methodology intended for the development of the rates for this benefit plan. If this is the intended method, please explain why the factor for this benefit plan is not developed on its own to reflect the exact benefits.
9. Please explain why the expected administrative expenses are 7.6% lower than the level incorporated in the current rates.
10. Please explain why Anthem is anticipating the administrative expenses for the individual product in calendar year 2008 to be the same as the expected level in calendar year 2007.
11. Please provide the statutory statement for calendar year 2006.

12. Please provide the quarterly statements for first and second quarters of calendar year 2007.
13. Please provide the detail behind the calculation of the expected loss ratio for calendar year 2007 shown in Exhibit IX.
14. Why are the projected loss ratios shown in Exhibit IX for calendar years 2007 and 2008 different from the projected loss ratios for calendar years 2007 and 2008 shown in Exhibit XII?
15. Using the loss ratios shown on Exhibit IX, if the target loss ratio for calendar year 2008 is virtually the same as the loss ratio generated from the experience in 2007, please explain why the expected increase of 18.6% is about 3% points higher than the overall trend expected.
16. On Exhibit IX of the confidential filing there is a black box. Has there been any data that has been redacted?

Dated: September 4, 2007

Christina M. Moylan
CHRISTINA M. MOYLAN
Assistant Attorney General
6 State House Station
Augusta, Maine 04333-0006
Counsel for Attorney General

**STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE**

In re:)	
)	
ANTHEM BLUE CROSS AND BLUE)	
SHIELD 2007 INDIVIDUAL RATE)	CERTIFICATE OF SERVICE
FILING FOR HEALTHCHOICE AND)	
HEALTHCHOICE STANDARD AND)	
BASIC PRODUCTS)	
Docket No. INS-07-1000)	

The undersigned counsel for the Attorney General hereby certifies that on this date I caused to be mailed by electronic mail, hand-delivery or United States first class mail, postage prepaid, as indicated, copies of the First Information Request of the Attorney General upon the persons and at the addresses indicated below.

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Dated: September 4, 2007

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